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U.S. Mint Favors Dollar Bill as Coin of Realm

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The Clinton administration said yesterday it sticks by the greenback.

U.S. Mint Director Philip N. Diehl announced that the administration will oppose a measure included in the House Republican budget that calls for replacing the dollar bill with a new $1 coin.

"This is another attempt to force the American people to accept something that they've rejected twice in the past 25 years," Diehl said, referring to the failures of a Dwight D. Eisenhower dollar produced in the early 1970s and the Susan B. Anthony dollar, first minted in 1979.

Republicans have claimed that the metal dollar would save between $400 million and $800 million a year because a $1 coin would circulate for 30 years compared with a paper dollar, which typically has a lifespan of 18 months.

Legislation pending in both chambers would require replacing the dollar bill with a coin.

"But there's a significant risk the coins will never circulate," Diehl said in a statement. "In that case, there will be no savings from eliminating the dollar note and producing a dollar coin and the Mint will have more than a billion new dollar coins to stack in our vaults next to 300 million Susan B. Anthonys."

Douglas Nick, spokesman for Rep. Jim Kolbe (R-Ariz.), chief sponsor of the coin bill in the House, expressed surprise at the announcement.

Nick said that Kolbe, who has pushed the measure for seven years, would continue to seek its approval. He said that the administration until yesterday seemed supportive.

Diehl said the Clinton administration opposes the coin legislation because of public resistance to eliminating the dollar bill and the Mint's inability to produce enough $1 coins in the 18-month period proposed by Kolbe's measure.

"That combination virtually guarantees the third failure of a dollar coin and with that failure any projected cost and budget savings go out the window," he said.

The administration's decision will be welcome news at the Bureau of Engraving and Printing, whose major product is the $1 bill.

Members of bureau's labor unions have led the opposition to the $1 coin legislation.